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Susan



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US Magnesium LLC

238 North 2200 West - Salt Lake City, UT 84116-2921
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February 19, 2008

Ms. Selma Sierra
State Director
United States Department of the Interior
Bureau of Land Management
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

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Dear Selma,

Thank you for your letter of February 1, 2008, and the invitation to schedule a meeting to discuss future US Magnesium activities that may involve Bureau of Land Management (BLM) administered lands. We do accept your invitation to meet in the future.

Notwithstanding BLM's denial of US Magnesium's claim for damages, I am sure that you understand that the missing sections of the Knolls to Rowley pipeline, which were on State and private lands, represent an unresolved issue of such magnitude that US Magnesium cannot ignore.

Regarding past and ongoing issues between US Magnesium and the BLM, we view the failure of the BLM to change certain documentation of leases and right-of-ways from Magcorp to US Magnesium ownership (as prescribed by the US bankruptcy court in June of 2002) as unresolved issues. Nearly six years have passed since the bankruptcy court directed such actions be taken by the BLM.

As you indicated, relevant to the claim, past or ongoing issues should not preclude discussions of future matters between the involved parties. I would also offer that efforts to resolve any ongoing issues between the parties should not be stalled pending some future meeting. In that light, I believe that a resolution to, or a report on progress to complete the document changes mentioned herein could easily come prior to our planned meeting.

From US Magnesium's perspective, resolution of some of the past and ongoing issues between the BLM and US Magnesium could do as much to improve the relationship as the possible outcome of the future meeting.

Again, US Magnesium would be happy to attend a future meeting as you have offered. I will contact you on a meeting schedule when we have cleared our schedule for March.

Sincerely,

Michael H. Legge
President, US Magnesium LLC